

REMARKS AND ELECTION**Application Status**

Claims 10-21 are now pending in the present application. Claims 1-9 have been canceled without prejudice in view of the below election. Claims 12-21 are newly presented.

The specification has been amended to reflect the issuance of a parent application.

Election

Applicant elects group III (i.e., claims 10-11) for prosecution on the merits. New claims 12-21 are also believed properly grouped with claims 10-11. Favorable consideration is requested.

Information Disclosure Statement

An Information Disclosure Statement and Form 1449 are filed concurrently herewith. Consideration of the information disclosure therein is respectfully requested.

Condition for Allowance

The application is believed to be in condition for allowance. Favorable consideration is requested.

Nevertheless, the Examiner is invited to telephone the undersigned at 503-469-4685 if any issue arises.

Date: October 5, 2005


CUSTOMER NUMBER 23735

Phone: 503-469-4685
FAX: 503-469-4777

Respectfully submitted,

DIGIMARC CORPORATION

By _____


Steven W. Stewart
Registration No. 45,133